

# Affordability Standard Under an Individual Mandate

- Affordability Standard - A percentage of income that will serve as the maximum families will be expected to pay toward health insurance coverage.
  - Should consider premiums and cost-sharing in setting the standards
  - If set too low then it exempts too many families
  - If set too high then creates sizable financial burden on residents
  - Should be set lower for low-income families, because spending for other necessities constitutes a bigger share of their income

# Analysis of What Families Spend Today on Premiums and Cost-Sharing in Individual Market

- Study examined premiums and cost-sharing for people purchasing coverage in Individual Market as Percent of Family Income
- Based on 75<sup>th</sup> Percentile of Individuals/Families

	Low Estimate	High Estimate
Premiums	9.0%	10.0%
Out-of-Pocket	5.0%	7.0%
Total	13.0%	15.0%